



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 14, 2014

John Blake
Utah School and Institutional Trust Lands Administration
675 East 500 South
Salt Lake City, Utah 84102

Subject: Authorization for Full Release of Reclamation Surety, Northern Stone Supply, Limelight Green Quarry, S/003/0012, Box Elder County, Utah

Dear Mr. Blake:


The School and Institutional Trust Lands Administration is currently holding a reclamation surety for Northern Stone Supply's Limelight Green Quarry. The operator reclaimed this quarry in 2009. Based on a site inspection done June 12, 2014 (copy of inspection memo attached), the Division of Oil, Gas and Mining has determined that vegetation has successfully re-established and that this site meets the Division's reclamation success standards.

On July 10, 2014, the Division received a request for full release of the surety and for file closure. Since the site meets the Division's reclamation standards, the Division approves the release as requested.

Please copy the Division on release documents. The Division will then close its file on this project.

Please contact Lynn Kunzler at 801-538-5310, or me at 801-538-5261 if you have any questions or concerns. Thank you for your help in this matter.

Sincerely,


Paul B. Baker,
Minerals Program Manager

PBB:lk:pb

Enclosures: June 12, 2014 inspection report

cc: Gary Mullard, Northern Stone Supply (greg@northernstonesupply.com)

P:\GROUPS\MINERALS\WP\M003-BoxElder\S0030012-LimelightGreen\final\BREL-6147-07102014.doc



RIDER

Travelers Casualty and Surety Company of America
One Tower Square 3PB, Hartford, CT 06183

RECEIVED

MAY 13 2005

DIV OF OIL GAS & MINING

To be attached to and form a part of:

Bond No. 19 S 100863219 BCA

Type of Bond: Bond of Lessee

Executed by Northern Stone Supply, Inc., as Principal, and by Travelers Casualty and Surety Company of America, as Surety, in favor of State of Utah and dated June 20, 1994.

In consideration of the premium charged for the attached bond, it is hereby agreed to change:
"The Penal Amount of the Bond"

From:

Seven Thousand Five Hundred and No/100****(\$7,500.00)

To:

Twenty Five Thousand and No/100****(\$25,000.00)

This rider is effective September 12, 2000.

This rider is executed upon the express condition that the surety's liability under said bond shall not be cumulative and shall in no event exceed the amount specifically set forth in said bond or any existing certificate changing the amount of said bond. The referenced bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified.

SIGNED, SEALED AND DATED this 13th day of October, 2000.

Northern Stone Supply, Inc.

By:

Gary Mullard
Gary Mullard, President Principal

Travelers Casualty and Surety Company of America

By:

Paula T. Peterson
Paula T. Peterson Attorney-in-Fact

*RIDER ACCEPTED BY:

Daniel T. T...
(Obligee)

10/19/2000

Date

*If Obligee signature required, please sign duplicate and return to Surety.

STATE OF UTAH
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we NORTHERN STONE SUPPLY, INC.
of Box 249, Oakley, Idaho 83346 as principal and
THE AETNA CASUALTY AND SURETY COMPANY as surety, are held and firmly bound
unto the State of Utah in the sum of SEVEN THOUSAND Dollars (\$7,500.00) lawful money of the United States
to be paid to the Board of State Lands and Forestry, as agent for the State of Utah, for the use and benefit of the State
of Utah, and of any patentee or purchaser of any portion of the land covered by the hereinafter described lease heretofore
sold or which may hereafter be sold with a reservation to the State of Utah, on the surface or of other mineral deposits
of any portion of such lands, for which payment, will and truly to be made, we bind ourselves, and each of us, and each
of our heirs, executors, administrators, successors, sublessees, and assignees, jointly and severally by these presents.

Signed with our hands and seals this 30th day of June in the year of our Lord, 1994.

The condition of the foregoing obligation is such that,

WHEREAS, The State of Utah, as Lessor, issued a(n) Mineral
lease, Lease Number M/L 43106 and dated October 27, 1986, to Max Cooper
Stone/Limestone as lessee (and said lease has been duly assigned under date of April 19, 1993
to Northern Stone Supply, Inc.) to drill for, mine, extract, and remove all of the Building Stone
Limestone deposits in and under the following described lands to wit:

Township 10N R16W SLB&M Section 2 SE1/4 SE1/4
Box Elder County

RECEIVED

MAY 13 2005

DIV OF OIL GAS & MINING

NOW, THEREFORE, THE principal shall be obligated to pay all monies, rentals, royalties, cost of reclamation, damages to the surface and improvements thereon and any other costs which arise by operation of the above described lease(s) accruing to the Lessor and shall fully comply with all other terms and conditions of said lease, the rules, regulations, and policies relating thereto of the Board of State Lands and Forestry, Division of State Lands and Forestry, the Board of Oil, Gas and Mining, and the Division of Oil, Gas and Mining as they may now exist or may from time to time be modified or amended. This obligation is in effect even if the principal has conveyed part of the purchase agreement interest to a successor in interest. If the principal fully satisfies the above described obligations, then the surety's obligation to make payment to the State of Utah is void and of no effect, otherwise, it shall remain in full force and effect until released by the Division of State Lands and Forestry.

Signed, sealed and delivered
in the presence of

Lyn Washburn
Lyn Washburn
Witness

Brenda J. Lewis
Brenda J. Lewis, Boise,
Idaho
Witness

APPROVED AS TO FORM:
JAN GRAHAM
ATTORNEY GENERAL

By [Signature]

NORTHERN STONE SUPPLY, INC.

[Signature] (SEAL)
Gary M. Mulla, Principal

BONDING COMPANY THE AETNA CASUALTY AND SURETY
BY Paula T. Peterson COMPANY

Paula T. Peterson

Attest:

Resident Agent: N/A Sedgwick James of Idaho, Inc.

P.O. Box 8688, Boise, Idaho 83707

Bonding Co. Address: P.O. Box 173713, Denver, Colorado
80217

Corporate Seal of Bonding Company Must be Affixed.

Penny Berry - Re: S0030012 Limelight Green

From: Lynn Kunzler
To: Berry, Penny
Date: 11/16/2010 8:42 AM
Subject: Re: S0030012 Limelight Green
CC: Paul Baker

I talked to Paul about this one. I will be sending the operator a letter asking him to reseed. As for the bonding and RC, even though the surety was, or is being cancelled, the surety company is aware that they are still liable and that there may be a need for some work in the future. Given that the site is totally reclaimed (other than adequate vegetation), a RC is probably not needed, after all, the operator would likely respond to our request for the RC would be, " Why, the site has already been reclaimed!"

>>> On 11/10/2010 at 4:10 PM, in message <4CDB264C.8C2 : 200 : 61936>, Penny Berry wrote:

Hi Lynn,

I have been going through some of my files and found this one. We have no reclamation contract? We have a bond in the amount of \$25,000 (this bond came from SITLA). We show a REC status in foxpro. From what I can tell you went on an inspection back on 10/5/2009 and stated that if vegetation does not show improvement by the summer (2010), the operator should plan to do a supplemental seeding next fall. I was wondering if this has been done? Please update me. Thanks.

From: Paul Baker
To: Berry, Penny; Kunzler, Lynn
Date: 11/10/2010 4:26 PM
Subject: Re: S0030012 Limelight Green

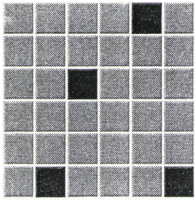
A side note on this is that the surety has been canceled. I just gave you, Penny, a copy of the letter SITLA wrote to the surety company. They are still liable for any remaining reclamation.

Unless reclamation is complete, we should consider issuing a cessation order for failing to maintain the surety.

Paul Baker
Minerals Program Manager
Utah Division of Oil, Gas and Mining
801-538-5261
Fax 801-359-3940

>>> Penny Berry 11/10/2010 4:10 PM >>>
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State of Utah
School & Institutional
Trust Lands Administration

675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818
801-538-5100
801-355-0922 (Fax)
www.trustlands.com

Gary R. Herbert
Governor

Greg Bell
Lieutenant Governor

Kevin S. Carter
Director

50030012
cc: Lynn
Opie

RECEIVED
NOV 10 2010
DIV. OF OIL, GAS & MINING

November 8, 2010

Travelers Casualty and Surety Co.
4000 Kruse Way Place, Bldg. One, Suite 265
Lake Oswego, OR 97035

RE: Minerals Lease ML 43106; Surety Bond #19S 100863219BCA
Northern Stone Supply, Inc., P.O. Box 249, Oakley, ID 83346

Gentlemen:

I am in receipt of your notification of November 01, 2010 electing to cancel the above numbered surety bond which is on file with the Utah School and Institutional Trust Lands Administration for the Limelight Green quarry, operated by Northern Stone Supply, Inc. The Utah School and Institutional Trust Lands Administration is the successor in interest to the Division of State Lands & Forestry, by Utah State Law.

Please observe that under its terms and conditions the above surety bond is binding upon the Surety until the Principal fully satisfies all obligations accruing to the bond and it remains in effect until released by the Utah Trust Lands Administration.

The bond may not be released at this time because the Principal has not fulfilled some of the obligations accruing to the bond, namely: 1) the quarry has not been released from regulatory reclamation by the Utah Division of Oil, Gas & Mining pending the success of revegetation efforts at the quarry site; and, 2) the Principal has failed to make payment of required annual permit fees to the Utah Division of Oil, Gas & Mining since 2006.

Before the bond may be cancelled or released the quarry site must be released from further reclamation responsibility by the Utah Division of Oil, Gas & Mining and the Principal must make good all annual permit fees and penalties accruing to the Utah Division of Oil Gas & Mining since 2006. The Contact for the Utah Division of Oil Gas & Mining in this matter is as follows.

Mr. Paul Baker
Minerals Reclamation program Manager
Utah Division of Oil, Gas & Mining
P.O. Box 145801
Salt Lake City, UT84114
(801) 538-5340

Sincerely,

John T. Blake
Trust Land Specialist

CC: Paul Baker
Gary Mullard

Penny Berry - S0030012 Limelight Green

From: Penny Berry
To: Lynn Kunzler
Date: 11/10/2010 4:10 PM
Subject: S0030012 Limelight Green
CC: Paul Baker

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State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

Jon M. Huntsman, Jr.
Governor
Kevin S. Carter
Director

d.o: S/003/012
CC: Bond file
Beth
Daron ✓

Needs Bond Folder

February 2, 2006

CERTIFIED MAIL 7160 3901 9842 9870 7777

~~Operator~~
Northern Stone Supply, Inc.
P.O. Box 249
Oakley, Idaho 83346

mine name
Limelight Green Quarry
Surface owner
BLM
mineral owner SITLA

Dear Lessee:

Listed below is a surety that is presently held by the School and Institutional Trust Lands Administration ("SITLA") for reclamation of mining related disturbance that is associated with mineral development on trust lands.

Type of Surety: Surety Bond
Amount: \$25000
Account No.: -19S100863219BCA
Issued By: Travelers Casualty and Surety Co. of Am.,
Date Issued: -
Mineral Lease No.: ML 43106
DOGM No.: S/003/012

The Division of Oil, Gas and Mining ("DOGM") is the state agency responsible for implementing and enforcing the State of Utah's regulation of mineral mining and reclamation activities (Utah Code Sections 40-8-1 et seq.) and the State of Utah's Surface Coal Mining and Reclamation Program (Utah Code Sections 40-10-1 et seq.). SITLA and DOGM have entered into a Memorandum of Agreement Concerning Cooperative Administration of Mining Operations on School and Institutional Trust Lands, dated January 14, 2005 ("MOU"). The MOU transfers the responsibility for administering the reclamation of disturbances on SITLA's mineral leases to DOGM. Therefore, surety for reclamation shall be provided by the operator of the leased mineral lands to DOGM prior to commencing mining operations, and DOGM will be identified as the owner or holder of the surety. The surety for reclamation shall be held and administered by DOGM, and shall be of a type and in a form as determined to be acceptable by the rules established by the Board of Oil, Gas and Mining. The surety shall be payable to DOGM for use as necessary to satisfy the reclamation obligations of the mineral lessee or operator.

February 2, 2006

Page 2

In accordance with the MOU and in compliance with the statutory authority of DOGM, SITLA will transfer the above referenced surety to DOGM to be administered by DOGM under their rules. This letter serves as notification of the requirement under your lease to be bonded for reclamation to replace or transfer your surety with DOGM by April 1, 2006. Upon written request and written extension by SITLA additional time for completing this process may be provided. DOGM and SITLA will coordinate their efforts to ease this transition. Questions concerning this process may be directed to Will Stokes at SITLA phone number (801) 538-5153. At DOGM please contact Beth Ericksen at (801) 538-5318. Additional information may be found at the DOGM's website at <http://ogm.utah.gov/minerals>.

Please be aware that adjustment of the bond amount could also be necessary if it is determined that the current amount is insufficient to cover complete reclamation. You will also need to complete a reclamation contract (form MR-RC) with DOGM to conclude the process. Also, as provided for under the rules governing the management and use of school and institutional trust lands (R850-21-800), and as provide for under Article XII of the mineral lease agreement, the lessee or operator may be required to post a separate performance bond with SITLA to assure compliance with all other remaining terms and conditions of the lease not covered by the bond to be filed with DOGM.

We anticipate that bonding for reclamation will be streamlined and hope you view this change as a positive effort to simplify the process. Thank you for your cooperation.

Sincerely

A handwritten signature in black ink, appearing to read "Tom Faddies", with a stylized flourish at the end.

Tom Faddies
Assistant Director/Minerals